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9 UNITED STATES BANKRUPTCY COURT

10 NORTHERN DISTRICT OF CALIFORNIA

11 SAN FRANCISCO DIVISION

12 In re
13 PG&E CORPORATION,
14 Debtor-in-Possession.

Case No. 19-30088-DM
Chapter 11
Hon. Dennis Montali

15 In re
16 PACIFIC GAS AND ELECTRIC
17 COMPANY,
18 Debtor-in-Possession.

Case No. 19-30089-DM
Chapter 11
Hon. Dennis Montali

**MCE CORPORATION'S RESPONSE TO
CERTAIN FIRST DAY MOTIONS**

Date: January 31, 2019
Time: 10:00 a.m.
Cttrm: 450 Golden Gate Ave., 16th Floor
San Francisco, CA 94102

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22 MCE Corporation ("MCE Corp.") hereby files its Response to Debtors' First-Day Motions
23 and in support thereof states as follows:

24 On January 29, 2019, the above-captioned Debtors (the "Debtors") filed voluntary chapter
25 11 bankruptcy petitions and seventeen first-day motions, including the Lien Claimants Motion
26 (Dkt. No. 13)¹, the Operational Integrity Suppliers Motions (Dkt. No. 12), the DIP Financing
27 Motion and related Seal Motion (Dkt. Nos. 23, 25), and the NOL Motion (Dkt. No. 10).

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¹ All docket reference numbers are to Case No. 19-30088.

1 1. **Lien Claimants Motion:** The Lien Claimants Motion seeks authority for the
2 Debtors to pay prebankruptcy obligations totaling \$54,700,000 owed to providers of maintenance
3 and repair services that may be permitted to assert liens (e.g. materialmen's/mechanics' liens)
4 against Debtors' property and equipment if Debtors fail to pay prebankruptcy amounts owed to
5 those parties.² Debtors seek authority to pay and discharge, on a case-by-case basis, the lien claims
6 that Debtors believe have created, or could give rise to, a lien against Debtors' property or
7 equipment, regardless of whether the lien claims arose prior to or after the bankruptcy filing date.
8 MCE Corp. supports the Lien Claimants Motion so long as it encompasses the unpaid work MCE
9 Corp. completed for Debtors prior to January 29, 2019, which totals approximately \$1,164,000.
10 MCE Corp. is informed and believes that an as-yet quantified portion of these unpaid,
11 prebankruptcy sums relate to its provision of maintenance and repair services to Debtors with
12 respect to which MCE Corp. may be permitted to assert liens, including materialmen's and
13 mechanics' liens against Debtors' property and equipment if Debtors fail to pay these
14 prebankruptcy amounts owed to MCE Corp. To the extent the Lien Claimants Motion seeks to
15 exclude MCE Corp. from payment, MCE Corp. reserves the right to object to the interim and final
16 relief sought in such Motion and to file an objection to the Lien Claimants Motion.

17 2. **Operational Integrity Suppliers Motion:** The Operational Integrity Suppliers
18 Motion seeks authority for Debtors to pay pre-bankruptcy obligations totaling \$116,200,000
19 (approx. 5.5% of Debtors' total \$2.1 billion trade debt as of the bankruptcy filing) owed to certain
20 vendors, suppliers, service provides, and the like that are deemed by Debtors to be essential to
21 protecting the public health and safety and maintaining the going-concern value and integrity of
22 Debtors' business and operations. Debtors define the "Operational Integrity Suppliers" as
23 companies that fall into three primary categories: (i) companies that provide goods and services
24 necessary for safe and reliable electric and natural gas service; (ii) companies that provide goods
25 and services related to outages; and (iii) companies that provide goods and services in connection
26 with Debtors' operation and decommissioning of their nuclear reactor power units. MCE Corp. is
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28 ² The Lien Claimants Motion also seeks authority to pay an additional \$10,800,000 to natural gas
shippers and natural gas storage facilities providers.

1 informed and believes that an as-yet unquantified portion of the prebankruptcy amount owed by
2 Debtors to MCE Corp. satisfies one or more of the categories specified in the Operational Integrity
3 Suppliers Motion. MCE Corp. supports the Operational Integrity Suppliers Motion, to the extent
4 it encompasses those services provided to Debtors by MCE Corp. that fall within the scope of the
5 Operational Integrity Suppliers Motion. To the extent the Operational Integrity Suppliers Motion
6 seeks to exclude MCE Corp. from payment, MCE Corp. reserves the right to object to the interim
7 and final relief sought in such Motion and to file an objection to the Operational Integrity Suppliers
8 Motion.

9 3. **DIP Financing Motion, Seal Motion, NOL Motion**: MCE Corp. is unaware at
10 this time of any objection to the DIP Financing Motion, Seal Motion, and/or NOL Motion.
11 However, in an abundance of caution, MCE Corp. reserves its rights to object to these Motions and
12 the relief sought therein.

13 Dated: January 30, 2019

FINESTONE HAYES LLP

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15 By: Jennifer C. Hayes
16 Jennifer C. Hayes
17 Attorneys for Creditor MCE Corp.
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